

SUPERCHARGED

ON THE ROAD COMPANIES
2022 ANNUAL REPORT

ON THE ROAD
COMPANIES



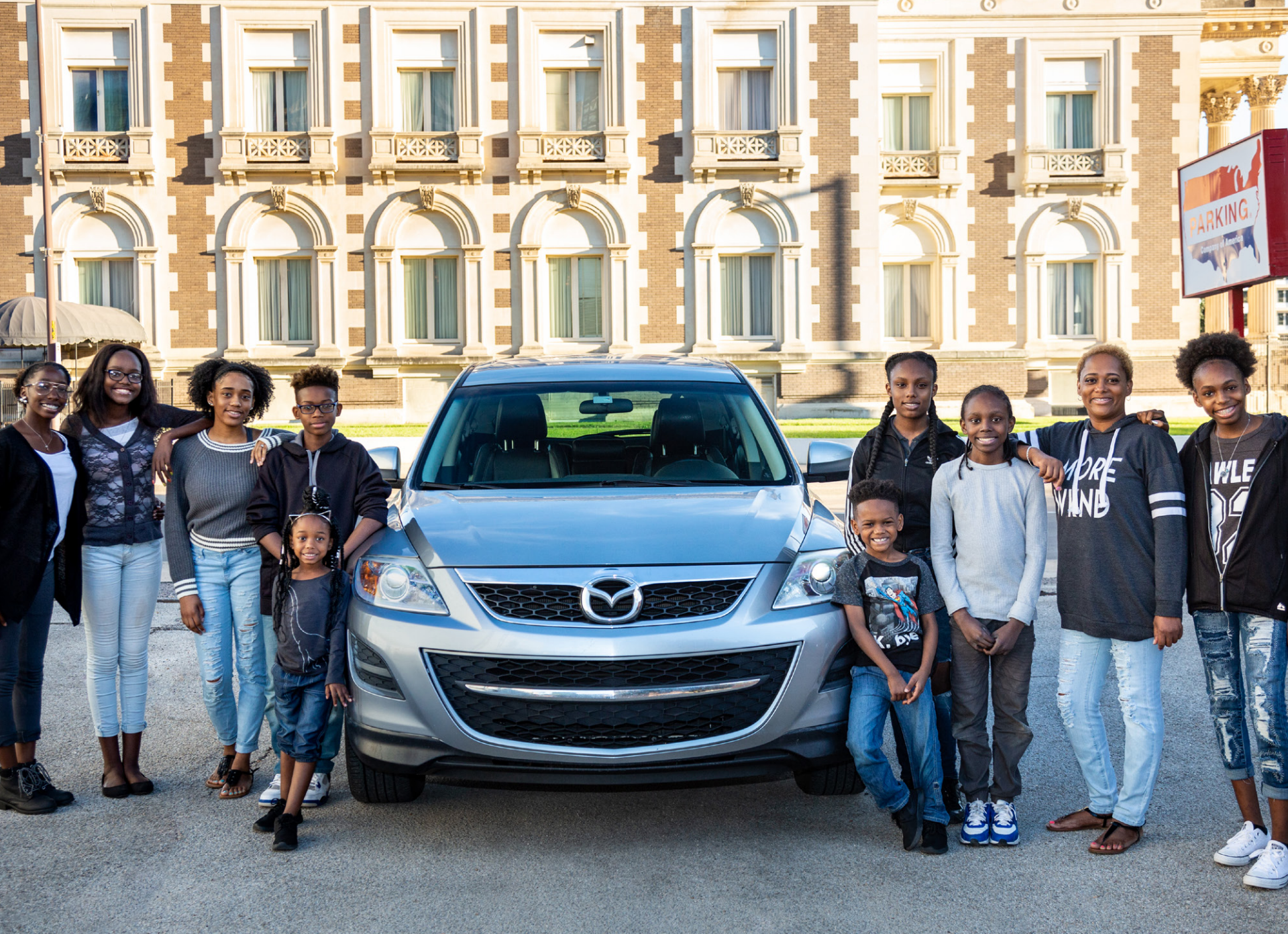
A LETTER FROM OUR FOUNDER

Building a successful business requires satisfying an unmet need in the market, and doing it better than anyone else. On the Road Companies has positioned our businesses well on this score. We are filling unmet needs—helping people buy cars more affordably and working to solve the technician shortage in collision repair—and are doing those things better than any other companies out there.

The challenge for all businesses is to scale without running out of cash. In his book “Crossing the Chasm”, Geoffrey Moore describes the chasm where most businesses fail because they lose focus on who their customers are and the problem the business is trying to solve for them.

We are at this risky point today, as we work to rebuild financial strength from the losses of the past two years. While expenses exceeded revenues in 2022, there were many successes:

- We surpassed our target of loans within only nine months of originations, lending \$6.3 million.
- We successfully closed out three large government grants, totaling over \$6 million.
- Our apprenticeship program doubled with the opening of our second garage in West Dallas.
- The Stand Together Foundation named On the Road Lending one of the first Catalyst Impact Partners out of over 200 enterprises.
- The Center for Impact Finance at the Carsey School of Public Policy at the University of New Hampshire completed a randomized control trial evaluation of On the Road Lending against a 10,000-person dataset, finding that our program substantially transforms lives.



FROM OUR FOUNDER

To date, we have empowered more than 1,500 families with the freedom of mobility to live their best lives. With an estimated \$20,000 economic impact per family per loan, that is nearly \$30 million in wealth creation, helping working families transform their futures.

There are many more who need our help. To reach them, we need yours. We are raising \$20 million over the next two years, which will open access to a \$100 million sustainability bond to expand affordable, reliable transportation through On the Road Lending and good jobs through On the Road Garage. This will truly supercharge our work. We seek your support to open this pathway for so many needing a chance to improve their lives through transportation, and thank you for your continued partnership!

A handwritten signature in black ink, appearing to read 'M Corson', with a stylized, cursive script.

Michelle Corson

Founder + CEO,

On the Road Companies



A LETTER FROM OUR PRESIDENTS

Last year we laid out aggressive goals to grow the organization and empower many more people with affordable, reliable vehicles. We moved from around \$300,000 in loan volume a month to nearly \$1 million—tripling our loan volume with the same staff. We are incredibly proud of our teams, who work to deliver high-touch service—even with this level of increased program outreach. We did this through testing new channels and helping working families get out of bad loans through our refinance program. Refinancing with us can save families hundreds of dollars monthly. We were able to achieve this through partnership and collaboration.

Like our clients, our organization demonstrated resiliency and grit despite significant market challenges. Used car prices were higher—up 56% according to Manheim—which made it difficult to source affordable vehicles for our clients. Inflation also had a significant impact on our clients, with rent and grocery prices increasing, creating challenges to balance family budgets and make timely payments. We are proud to report that our default rate is still extremely low—a little over 4 percent—a major accomplishment. Our mission and charge remain even more important—to create opportunities and empower individuals and working families to live their best lives through our life-changing vehicle loans.

As we look to 2023—our 10th anniversary year—we are grateful for our investors, funders, and supporters, who have been key to our ability to empower and transform lives for a decade. Our work is even more critical in this challenging landscape to ensure working families have access to credit and quality transportation. This support is tantamount to our success and even more important with the market forces we are overcoming.



FROM OUR PRESIDENTS

In our letter last year, we mentioned the technology improvements we are investing in to create efficiencies while we expand. Our new loan origination system will be live in the first quarter of 2023, which will automate credit pulls and debt-to-income ratios, along with an artificial intelligence tool that will take our historical data and inform decisioning. The personal touch will remain, while these investments enable us to serve more and keep our overhead costs low.

We have obtained licensing in several Midwestern states and additional states in the southeast, and are excited about the new territory. In another important development, the University of New Hampshire Carsey School Center for Impact Finance is conducting a third-party review of our program and its efficacy. This evaluation will help us be better at what we do and how we do it.

As Bill says each day, let's be a little bit better than we were yesterday. You're an important partner in this journey to serve more and move beyond our proof of concept, so we hope you will stay in touch and help us be a little bit better each day.

Join us in celebrating throughout the year and help us build our foundation to support our work for the future by donating today and staying connected!

Bill Long

On the Road Sustainability Funds President

Lonnie Smith

On the Road Lending President



ON THE ROAD
LENDING

DERRICA'S STORY

Derrica is a certified nursing assistant who loves her job but had an unreliable car that made it hard to consistently get to work. She often had to depend on friends for rides. We helped Derrica get a 2020 Nissan Sentra, and now she's the one giving friends rides!

A single parent, she says having a reliable car is essential to taking care of her family and has enabled her to set new goals, like going back to school and moving up in her career.

"I am very thankful for On the Road Lending. If I know someone who needs a ride to work, I won't mind helping because I was once that person. I'm going to take good care of my car."



ON THE ROAD
LENDING

TAMI'S STORY

When Tami came to On the Road Lending, she didn't own a vehicle and depended solely upon public transportation. She lived in Fort Worth and had a two-hour commute each way to her job in Arlington that involved several busses, a rideshare, and walking two miles each way.

"I absolutely loved my job, but the anxiety of the commute was overwhelming," Tami says. Tami had credit issues due to a tumultuous divorce and her current living situation. She had just started a new contract job and was living in temporary housing. With these circumstances, she knew a traditional car loan would not work for her. Researching alternatives, Tami contacted Fort Worth's Economic Development Department, which put her in touch with us.

"On the Road Lending took control and handled everything. The staff is professional, courteous, and made me feel at ease with the process. I now drive a beautiful 2018 oceanic blue Mitsubishi Outlander Sport SUV," Tami says.



ON THE ROAD
LENDING

GLENN'S STORY

Glenn lives in Corpus Christi and needs a reliable vehicle, since his work and home are more than 15 miles apart. He works an early morning shift at H-E-B, and the older truck he drove constantly put him at risk for being stranded on the freeway at 2 a.m. Since getting his 2017 Chevy Cruze through On the Road Lending, his worries about getting to work have disappeared.

Glenn found us through H-E-B Federal Credit Union, one of our marketplace partners. When the credit union couldn't make him a loan because of his credit history, we were able to step in and provide a loan based on getting to know Glenn and his ability to pay.

"I have great plans for the next calendar year. With a car I can trust, my world of improvements continues," he says. "I will likely be elevated to a manager's position within the next six months, and it all started with not having to worry about a truck that had seen its best days. Confidence built confidence, and my leaders saw it."



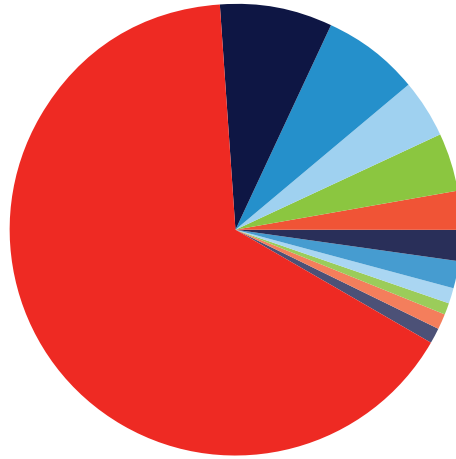
REBUILDING MORE THAN CARS

We opened the second location of On the Road Garage in 2022 in West Dallas. The large location enabled us to expand our successful apprenticeship program. We're creating the workforce of the future with our Department of Labor-registered program that includes career pathways in every department. Each pathway is a blended learning experience, incorporating both on-the-job, hands-on training with access to industry-leading classroom training and personal development. Run by master technicians and senior management leaders, we have five tracks: Body Repair, Mechanics and Technology, Painting, Office Management, and Estimation.

	IRVING	WEST DALLAS
2022 REPAIRS COMPLETED	901	439
AVERAGE REPAIR COST	\$3,987	\$3,383
TOTAL SALES	\$2,700,000	\$1,100,000
# OF APPRENTICES	6	3

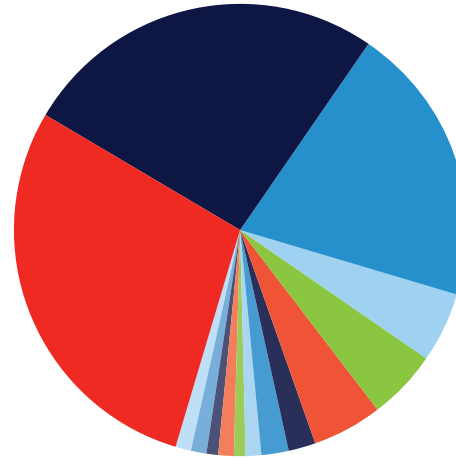
INSURANCE REFERRAL PARTNERS

WEST DALLAS



65%	State Farm	2%	AAA
8%	USAA	2%	Progressive
7%	Enterprise	1%	Allstate
4%	Infinity	1%	Amica
4%	Other	1%	Geico
3%	Liberty Mutual	1%	Kemper

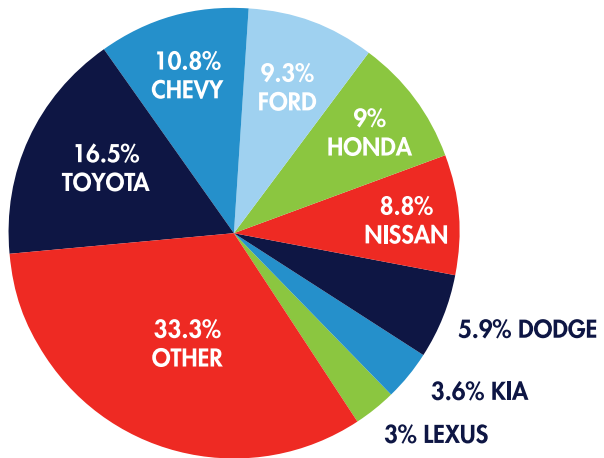
IRVING



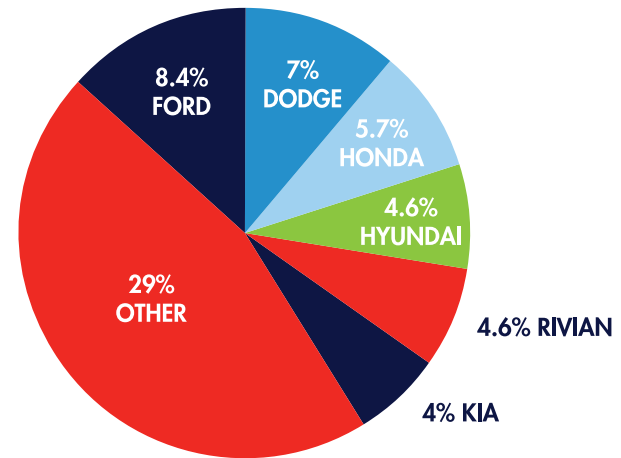
29%	Infinity	2%	SilverRock
26%	State Farm	1%	Progressive
20%	USAA	1%	AAA
5%	Allstate	1%	GEICO
5%	Other	1%	Amica
5%	Liberty Mutual	1%	Horace Mann
2%	Kemper	1%	Farmers

VEHICLES REPAIRED BY MAKE

WEST DALLAS



IRVING



We're proud of our apprentices!



ALEXIS
*Body Repair,
Irving*



BEN
*Body Repair,
West Dallas*



HUNTER
*Body Repair,
West Dallas*



IAN
*Estimation,
Irving*

We're proud of our apprentices!



LEO
*Body Repair,
Irving*



LINETTE
*Painting,
Irving*

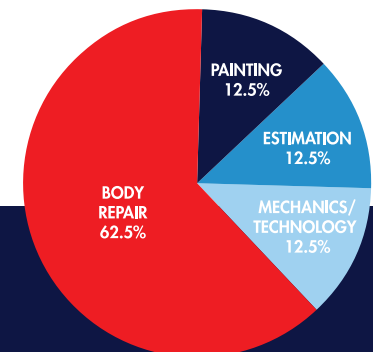


MELVIN
*Body Repair,
Irving*



PATRICK
*Mechanics & Technology,
Irving*

APPRENTICES BY PROGRAM

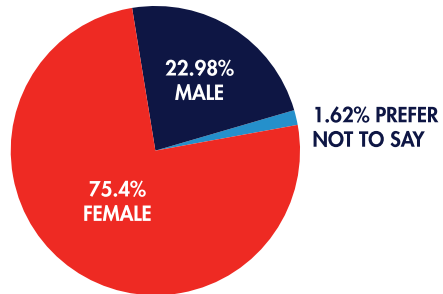




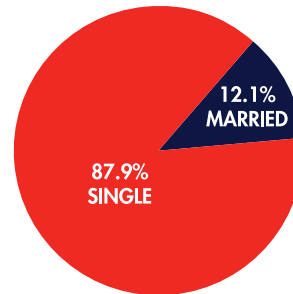
ON THE ROAD
LENDING

OUR CLIENTS

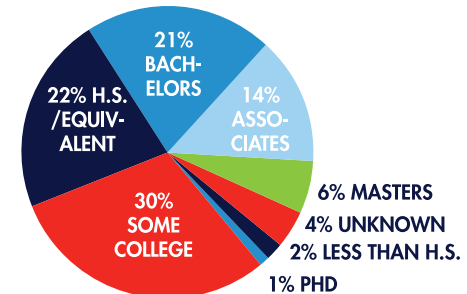
GENDER



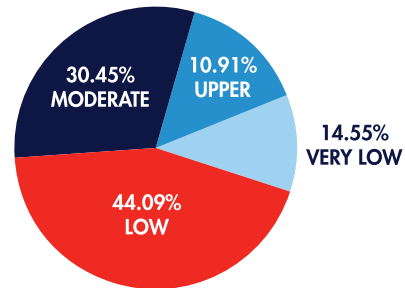
MARITAL STATUS



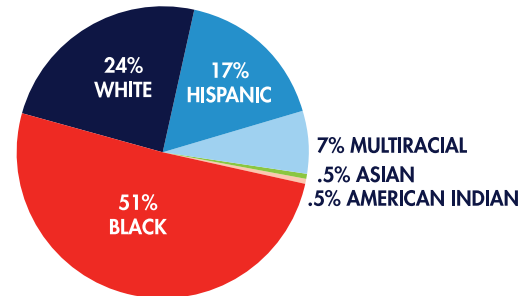
EDUCATION



INCOME



RACE





ON THE ROAD
LENDING

OUR CLIENTS

530

AVERAGE CREDIT SCORE

\$40,377

AVERAGE INCOME

38

AVERAGE AGE

672

CLIENTS RECEIVED
FINANCIAL EDUCATION

0-721

CREDIT SCORE RANGE

5.24%

ESTABLISHING CREDIT
FOR THE FIRST TIME

19-70

AGE RANGE



2022 PORTFOLIO SNAPSHOT

214

LOANS MADE

\$11.0M

DOLLAR VOLUME

1,048

NUMBER OF LOANS
SINCE INCEPTION

\$21.1M

DOLLAR AMOUNT
SINCE INCEPTION

\$8.55M

CURRENT CONSUMER
RECEIVABLE BALANCE

574

PORTFOLIO
NUMBER OF ACCOUNTS

7.3%

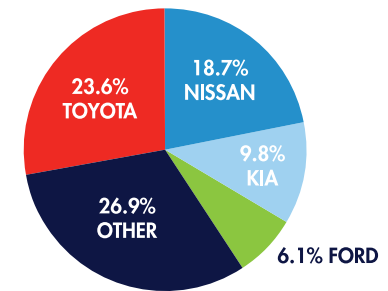
30-DAY DELINQUENCIES

0.58%

90-DAY DELINQUENCIES

1.4%

ANNUALIZED CHARGE-OFF RATE



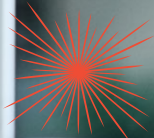


2022 COMBINED PERFORMANCE



	ON THE ROAD LENDING	ON THE ROAD SUSTAINABILITY FUNDS	ON THE ROAD GARAGE	CHAMPION IMPACT CAPITAL	ON THE ROAD MOTORS	TOTAL
INCOME MEASURES						
Revenues	\$2,765,922	\$1,155,083	\$3,812,852	\$275,470	\$135,901	\$8,147,229
Cost of Goods Sold	—	—	\$(2,476,387)	—	\$(127,173)	\$(2,603,560)
Gross Profit	\$2,765,922	\$1,155,083	\$1,336,465	\$275,470	\$10,728	\$5,543,669
Expenses	\$(3,369,482)	\$(1,114,592)	\$(3,199,661)	\$(231,654)	\$(16,197)	\$(7,931,585)
Net Profit/(Loss)	\$(603,560)	\$40,492	\$(1,863,195)	\$43,817	\$(5,469)	\$(2,387,916)

	ON THE ROAD LENDING	ON THE ROAD SUSTAINABILITY FUNDS	ON THE ROAD GARAGE	CHAMPION IMPACT CAPITAL	ON THE ROAD MOTORS	TOTAL
ASSET MEASURES						
Assets	\$16,937,621	\$13,628,048	\$799,094	\$5,821,310	\$177,747	\$37,363,819
Liabilities	\$(17,576,629)	\$(9,982,475)	\$(4,954,330)	\$(189,739)	\$(1,693)	\$(32,704,866)
Equity/Net Assets	\$(639,008)	\$3,645,573	\$(4,155,236)	\$5,631,570	\$176,054	\$4,658,953



SPARK
NORTH TEXAS
Connecting Tech
Entrepreneurs and Investors

SPARK NORTH TEXAS

With support from a U.S. Economic Development Association (EDA) SPRINT Challenge grant of \$950,000, our sister company Champion Impact Capital launched Spark North Texas to be the spark that creates connections and fuels a thriving North Texas economy.

The platform's matchmaking algorithm connected both for-profit and nonprofit applicants with funding, and recommended projects to investors and donors based on the criteria they included in their profiles on the platform. Investors and donors had the ability to search the entire database or filter opportunities based on specified search parameters. The initiative raised \$1 million from investors.

Spark North Texas, Champion Impact Capital, and On the Road Companies were proud to be sponsors of bigBANG! 2022, coproduced by SVP Dallas and the United Way of Metropolitan Dallas.



ON THE ROAD
COMPANIES

OUR LEADERSHIP

ON THE ROAD LENDING BOARD

Dr. David Chard, Chairman, Wheelock College, Boston University
Jay Altizer, Past Chair, FOURTH
Maria Coello, Treasurer, My Click for Insurance
Josh Mayfield, Secretary, Texas Capital Bank
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Jay Hein, Sagamore Institute
Yolonda Turner, State Farm

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Jeremy Cox, Craftsman Concrete Floors
Mary Hatcher, glendonTodd Capital, LLC
Plamen Jordanoff, Solid State Power
Dr. Sana Syed, Allyn Media
Dr. Michael Yeung, Real Estate Tax Attorney



OUR PARTNERS

ON THE ROAD LENDING MAJOR FUNDERS

America First National Bank	Enterprise Holdings Foundation	Rainwater Charitable Foundation	The M.O.B. Family Foundation
Bank of America	First Citizens Bank	Santander Consumer USA Foundation, Inc.	United Way of Greater Houston
Arthur M. Blank Family Foundation	General Motors	Sid Richardson Foundation	USAA
Cadence Bank	Goldman Sachs Bank	Stand Together Foundation	U.S. Economic Development Administration,
Capital One	Graham & Carolyn Holloway Family	Sunflower Bank	Department of Commerce
Charles Schwab	Foundation	Tegna Foundation	Veritex Community Bank
Community Foundation for Greater Atlanta	JPMorgan Chase Foundation	The Dallas Foundation	Wells Fargo Foundation
Community Foundation of Texas	PNC Bank	The Hoglund Foundation	Woodforest National Bank

ON THE ROAD SUSTAINABILITY FUNDS INVESTORS

Peggy Allison	Farm Bureau Bank	Opportunity Finance Network	SLH Corporation/Sharron Hunt
American First National Bank	Goldman Sachs Bank	Mike Pacillio	SVP Dallas
Bank of Texas	Forrest Hoglund	Cynthia Pharr-Lee & Herb Lee	Sunflower Bank
Lucy Billingsley	Trish Houck & Rev. Dr. Lyssa Jenkins	Rebuild Texas Fund/One Star Foundation	Thomas Heritage Foundation
Cadence Bank	Albert Huddleston	Trevor Rees-Jones III	United States Treasury CDFI Fund
CNote	JPMorgan Chase Foundation	Judy Ruby-Brown	Abby & Todd Williams
Michelle & Larry Corson	Heather Koopman	Barbara & Gene Sanger	
Dain Ehring	Hideto Nishitani	Patsy Shockley	



ON THE ROAD
COMPANIES

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Learn more at ontheroadcompanies.com

2023